



**SHAREHOLDERS' MEETING
ROME - 19 APRIL 2018**

**EXPLANATORY REPORT
OF THE BOARD OF DIRECTORS**

in accordance with Article 125-*ter* of Italian Legislative Decree no. 58 dated 24 February 1998

ON ITEM 2. OF THE AGENDA

2. Appointment of the Board of Directors

- 2.1 determination of the number of members of the Board of Directors;
- 2.2 determination of the duration of the assignment of the Board of Directors;
- 2.3 appointment of the members of the Board of Directors;
- 2.4 determination of the fee for members of the Board of Directors.

Dear Shareholders,

The mandate of the Board of Directors of doBank S.p.A. (hereafter: "doBank") expires on 19 April 2018, the date of the Shareholders' Meeting convened to approve the financial statements closing at 31 December 2017.

At that meeting, you are therefore asked, inter alia, to appoint the new Board of Directors, subject to determining the number of its members and its duration in office, and to determine the fee due to them.

Composition and duration of the Board of Directors

In conformity with the doBank Articles of Association, before appointing the Board of Directors, the Shareholders' Meeting establishes the number of its members, no less than 7 and no more than 11.

The Articles of Association also establish that the Directors remain in office for three years - except where, at the time of appointment, a shorter duration is indicated - expiring at the date of the Shareholders' Meeting convened to approve the financial statements relating to the final financial year of their role.

We note that the Articles of Association, in conformity with existing rules, require the composition of the Board of Directors to guarantee the gender balance, that its members must possess the requirements provided by the applicable legislative and regulatory provisions and that a number of directors no less than that provided by existing regulations must be in possession of the independence requirements established by the law and by existing regulations. For detailed information, we refer to the document "Guidelines on the optimal qualitative and quantitative composition of the Board of Directors" cited below.

As provided by existing rules and by the Articles of Association, the doBank Directors are appointed by the Shareholders' Meeting on the basis of lists of candidates, in a number no greater than 11, each combined with a sequential number and in possession of the requirements laid down by the rules of law and regulations in force.

The persons legitimated to submit lists are the Board of Directors and the Shareholders who, alone or with others, hold overall, at the time of submitting the list, shares with voting right representing at least 1% of the share capital (in accordance with Art. 13.10 of the Articles of Association and CONSOB Resolution no. 20273 dated 24 January 2018). Each person legitimated to vote (as well as (i) legitimated persons belonging to the same group, thereby meaning the controlling person, even non-corporate, in accordance with Art. 2359

of the Italian Civil Code and any company controlled by, or under the common control of, the same person, or (ii) parties to the same shareholder agreement pursuant to Article 122 of Italian Legislative Decree 24 February 1998, no. 58, or (iii) legitimated persons who are otherwise connected between them by virtue of significant relationships of connection in accordance with the applicable legal and/or regulatory rules in force) may submit or contribute to submitting only one list just as each candidate may only appear in one list under penalty of ineligibility.

The lists of candidates, accompanied by the information and documents required by existing regulations and by the Articles of Association, must be filed by 12pm on 26 March 2018, by hand delivery to the registered office of doBank, in Verona - Piazzetta Monte 1, during normal working hours or by certified e-mail transmission to the address dobank.pec@actaliscertymail.it.

For detailed information on the filing of lists, we refer to the notice of convocation of the Shareholders' Meeting.

In line with the Supervisory Provisions issued by the Bank of Italy on corporate governance, the Board of Directors currently in office, with the support of the Appointments Committee established within it, has produced guidelines on the qualitative-quantitative composition of the Board of Directors deemed optimal by it to ensure the best fulfilment of the duties and respective responsibilities of the management body, without prejudice to the requirements laid down by existing legislative and regulatory provisions in that regard. Those guidelines are illustrated in a document, approved by the Board of Directors on 8 March 2018, entitled "Guidelines on the optimal qualitative and quantitative composition of the Board of Directors", available on the internet website www.dobank.com, in the section "Governance - Shareholders' Meeting", https://www.dobank.com/it/governance/Shareholders'_Meeting-azionisti.

The Shareholders are asked to read that document and to make the choice of candidates, to be included in the lists for appointment of the Directors, adequately considering the indications provided therein, originating from the experience and reflections of the outgoing Directors, without prejudice to the right, for the Shareholders themselves, to make their assessments on the optimal composition of the Board of Directors and to submit candidacies with profiles coherent with these, motivating any differences compared to the analyses made by the Directors in office.

Appointment Method

Based upon the provisions of Art. 13.17 of the Articles of Association, the election of the Board of Directors occurs as follows:

- i) all Directors to be elected, except one, are taken from the list that came first by number of votes (the "Majority List"), in the sequential order in which they are indicated in that list;
- ii) the remaining Director to be elected, in possession of the prescribed independence requirements, is taken from the list that came second by number of votes after the Majority List and that is not connected, in any way, even indirectly in accordance with the legislation, including regulatory, in force at the time, with the persons legitimated to vote who submitted or voted on the Majority List (the "Minority List"); the first candidate in sequential order on the list, in possession of the prescribed independence requirements, is elected;
- iii) If the first two lists have obtained in the Shareholders' Meeting the same number of votes validly expressed, the list submitted by the Shareholders in possession of the greatest investment prevails;
- iv) if the number of candidates included in the submitted lists, both of majority and minority, is less than that of the Directors to be elected, the remaining Directors are elected by resolution made by the Shareholders' Meeting by relative majority, ensuring respect of the principles of independence and gender balance prescribed by the legislation, including regulatory, in force. If several candidates receive equal votes, a second ballot will be held between the same, by way of further Shareholders' Meeting vote;
- v) if only one list has been submitted, the Shareholders' Meeting expresses its vote on that list and if the same obtains the relative majority of votes represented in the Shareholders' Meeting, the candidates listed in sequential order are elected directors, up to the number fixed by the Shareholders' Meeting, ensuring respect of the principles of independence and gender balance prescribed by the legislation, including regulatory, in force;
- vi) if no list has been submitted, or if only one list has been submitted and the same does not obtain the relative majority of votes represented in the Shareholders' Meeting, the Shareholders' Meeting resolves according to the methods indicated in paragraph (iv) above;
- vii) If the necessary minimum number of independent Directors and/or Directors belonging to the least represented gender are not elected, the Directors of the Majority List, marked by the highest sequential number and devoid of the requirements in question, are replaced by the subsequent candidates belonging to that same Majority List, having

the necessary requirement or requirements;
viii) if, even applying the criteria of replacement indicated in paragraph (vii) above, no suitable replacements are identified, the Shareholders' Meeting resolves by relative majority. In that case, the replacements are made gradually based upon the lists that received the most votes and the candidates marked by the highest sequential number.

Determination of the fee for the Board of Directors

The Shareholders' Meeting is also asked to resolve on determining the fee due to the new Directors.

In that regard, the Articles of Association establishes that the Directors are entitled, in addition to the reimbursement of expenses incurred by them in the exercise of their roles, to an annual fee, determined by the Shareholders' Meeting in a fixed and/or variable amount, which the Board of Directors divides between its members.

If the Shareholders' Meeting has not already done so, the Board of Directors may also establish, having heard from the Board of Auditors, in accordance with Art. 2389, third paragraph, first sentence of the Italian Civil Code, the remuneration of the Directors invested with particular roles and those who are members of the board committees.

Resolutions proposed to Shareholders' Meeting

Dear Shareholders,

If you agree with the contents and arguments illustrated in this Report, having acknowledged the provisions of existing regulations and the Articles of Association on the composition, duration, appointment and remuneration of the Board of Directors and the indications contained in the document entitled "Guidelines on the optimal qualitative and quantitative composition of the Board of Directors", we invite you to resolve on the respective proposals:

- 1. on the determination of the number of members of the Board of Directors;*
- 2. on the fixing of the duration of the respective mandate;*
- 3. on the appointment of the Directors on the basis of lists submitted by the Shareholders in accordance with Art. 13 of the Articles of Association;*
- 4. on the determination of the fee due to the Directors, for each financial year included in the duration of the assignment.*

Rome, 8 March 2018

The Board of Directors